



Hopewell Highway Infrastructure Limited

合和公路基建有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 737)

ANNOUNCEMENT

on reductions of toll rate multiple and business tax rate

The Company has been recently informed that the following two notices would be applicable to the three expressways invested by the Group. The first notice, jointly issued by the Guangdong Provincial Price Index Bureau and Guangdong Provincial Communications Department, relates to the adjustment of the toll rate multiple of class 5 vehicles on expressways. Pursuant to the notice, the toll rate multiple of class 5 vehicles on every expressway in Guangdong Province will be adjusted with effect from 1 June, 2005. For Guangzhou-Shenzhen Superhighway and Guangzhou East-South-West Ring Road, the toll rate multiple of class 5 vehicles is reduced by 10% from 5 to 4.5; and for Phase I of the Western Delta Route, the toll rate multiple of class 5 vehicles is reduced by 12.5% from 4 to 3.5. There is no change in the toll rate multiples of class 1 to 4 vehicles. The Company does not expect the aforesaid adjustments will have any material impact on the Group.

The second notice, jointly issued by the Ministry of Finance and the State Administration of Taxation, relates to the policy of business tax on toll income for every expressway enterprise. Pursuant to the notice, the business tax rate on toll income of the aforesaid expressways will be reduced from 5% to 3% with effect from 1 June, 2005. The Company does not expect the aforesaid reduction will have any material impact on the Group.

By Order of the Board
Hopewell Highway Infrastructure Limited
Peter Yip Wah LEE
Company Secretary

Hong Kong, 2 June, 2005

As at the date hereof, the Directors of the Company are:

Sir Gordon Ying Sheung WU, Mr. Eddie Ping Chang HO, Mr. Thomas Jefferson WU, Mr. Alan Chi Hung CHAN, Ir. Leo Kwok Kee LEUNG, Mr. Li Jia HUANG, Mr. Cheng Hui JIA, Mr. Philip Tsung Cheng FEI^(#), Mr. Lee Yick NAM^(#), Mr. Kojiro NAKAHARA^(#) and Mr. Gordon YEN^(#).

^(#) *Independent Non-Executive Director*

* *for identification only*

“Please also refer to the published version of this announcement in the South China Morning Post”